ANNUAL REPORT

FOR YEAR ENDED DECEMBER 31, 1961

CENTRAL OF GEORGIA RAILWAY COMPANY

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67th ANNUAL REPORT

BOARD OF DIRECTORS

Allison W. Ledbetter, Chairman
Rome, Georgia

James M. Barry, Birmingham, Ala.
Ambrose W. Benkert, New York, N. Y.
Earle F. Bidez, Savannah, Ga.
Frank E. Bone, Milledgeville, Ga.
Erle Cocke, Atlanta, Ga.
Donald Comer, Birmingham, Ala.
William E. Dillard, Savannah, Ga.
Robert W. Groves, Savannah, Ga.
James T. Harrigan, New York, N. Y.
Charles C. Hertwig, Macon, Ga.
Julian T. Hightower, Thomaston, Ga.
Thomas M. Johnson, Savannah, Ga.
Earl Knudsen, Pittsburgh, Pa.
Jack J. McDonough, Atlanta, Ga.
Harrell L. Perkins, Atlanta, Ga.
Walter C. Scott, Savannah, Ga.
Benjamin J. Tarbutton, Sandersville, Ga.
Martin L. Tressel, Pittsburgh, Pa.
D. Abbott Turner, Columbus, Ga.

EXECUTIVE COMMITTEE

Allison W. Ledbetter
Chairman

W. E. Dillard
J. T. Harrigan
J. J. McDonough
B. J. Tarbutton
D. A. Turner

THE STAFF

W. E. Dillard, President and
General Manager, Savannah, Ga.

E. F. Bidez, Executive Vice President
Savannah, Ga.

H. L. Perkins, Vice President
Atlanta, Ga.

W. C. Scott, Vice President
Savannah, Ga.

W. P. Haynes, Comptroller
Savannah, Ga.

E. C. Jones, Chief Traffic Officer
Savannah, Ga.

John B. Miller, General Counsel
Savannah, Ga.

B. D. Helmken, Secretary
Savannah, Ga.

M. M. McLaughlin, Assistant Secretary
Savannah, Ga.

W. H. Saffold, Treasurer
Savannah, Ga.

CENTRAL
OF GEORGIA
RAILWAY COMPANY

HIGHLIGHTS OF INCOME ACCOUNT AND OPERATING STATISTICS

	1961	1960	1959	1958	1957
Operating Revenues	$ 41,985,555	$ 41,798,258	$ 44,156,250	$ 42,557,534	$ 44,212,202
Operating Expenses	$ 36,333,818	$ 36,952,594	$ 37,002,286	$ 36,464,890	$ 36,078,130
Operating Ratio (Expenses to Revenues)	86.54	88.41	83.80	85.68	81.60
Taxes	$ 3,196,725	$ 3,325,423	$ 3,215,775	$ 2,595,070	$ 3,093,011
Income Available for Fixed Charges	$ 2,530,040	$ 2,459,432	$ 4,474,211	$ 4,281,662	$ 5,175,045
Fixed Charges	$ 1,470,156	$ 1,523,158	$ 1,564,873	$ 1,675,882	$ 1,363,005
Times Fixed Charges Earned	1.72	1.61	2.86	2.55	3.80
Other Deductions (Contingent Interest)	$ 573,548	$ 582,186	$ 595,658	$ 604,113	$ 608,359
Net Income After Fixed Charges and Other Deductions	$ 486,336	$ 354,088	$ 2,313,680	$ 2,001,667	$ 3,203,681
Shares of Capital Stock Outstanding as of End of Year:					
Preferred Stock	170,394	170,394	170,394	170,417	170,417
Common Stock	337,242	337,242	337,242	337,242	337,242
Miles of Road Operated at End of Year	1,747	1,745	1,745	1,763	1,763
Tons of Revenue Freight Hauled (Thousands)	18,749	18,478	18,998	16,863	16,996
Revenue Ton Miles (Thousands)	3,151,526	3,135,529	3,284,775	3,050,093	3,118,789
Average Revenue Per Ton Mile	$ .0121	$ .0120	$ .0123	$ .0125	$ .0126
Passengers Carried	303,950	315,485	316,975	328,432	406,512
Passengers One Mile (Thousands)	51,368	52,583	53,615	56,767	69,103
Revenue Per Passenger Mile	$ .0275	$ .0270	$ .0264	$ .0255	$ .0253
Average Number of Employees	3,216	3,421	3,529	3,678	4,064
Total All Wages	$ 19,678,668	$ 20,263,474	$ 20,895,381	$ 20,474,996	$ 22,274,263

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TO OUR STOCKHOLDERS

The recession which began early in 1960 continued and deepened during the first seven months of 1961, and although there was a gradual upturn in freight traffic beginning in August 1961, the results of operation for the full year were far less than satisfactory in spite of sustained effort throughout the year to economize in every way possible.

Net income after fixed and contingent charges for 1961 was $486,336, an increase of $132,248—37.35% over 1960. After providing for sinking fund requirements amounting to $129,567, the balance remaining for other corporate purposes was only $356,769. With addition of cash from depreciation accruals charged against income amounting to $3,031,884, there was a cash flow of $3,388,653. Maturities on equipment obligations and unfunded capital expenditures totaled $3,588,362, exceeding funds available from the year's operation by $199,709. It was therefore necessary to again forego the declaration of dividend on both the Preferred and Common stocks.

During 1961 the Central handled 463,832 cars of freight, a decrease of 10,435 cars or 2.20% under 1960. Freight revenue was $38,094,754, an increase of $402,228—1.07% above 1960, the decrease in carloads handled having been more than offset by an increase of $2.65 in average revenue per car handled. Total railway operating revenues for 1961 was $41,985,555, which was only $187,297 more than in 1960, the increase in freight revenue having been largely offset by a decrease in express revenue.

Rigid control of expenses was exercised throughout the year resulting in a net decrease of $618,776—1.67% in total railway operating expenses under 1960. Maintenance allotments were held to bare necessity but increases in wage rates and fringe benefits under labor contracts counteracted to considerable extent the savings brought about by reduction in personnel and materials. The net results of 1961 operations were also adversely affected by a debit balance of $763,666 in equipment and joint facility rents as compared with a credit balance of $14,881 in 1960.

Seventy-five new covered hopper cars of 3,818-cubic-foot capacity were acquired and financed under a conditional sale contract for $1,000,000, payable in thirty semiannual installments, with interest at 5% per annum. Three hundred twenty-seven 50-ton capacity all steel box cars, with eight-foot doors, were built in company shops using underframes, trucks, ends, roofs, brakes, couplers, etc., salvaged from retired composite cars, at a total cost of about $1,499,200, including the value of reused material. Construction of these cars was financed in part by a bank loan of $1,246,197, repayable in 20 semiannual installments with interest at 5½% per annum.

The new high level bridge over the Chattahoochee River at Eufaula, Ala., which was started in 1960, was nearing completion at the close of 1961, and it now appears that payments to the Railway under a contract with the U. S. Corps of Engineers will be sufficient to cover the entire cost of the new bridge.

Industrial activity continued at a satisfactory pace during 1961. Thirty-three new industries were located on our lines, some of the larger plants being The Proctor & Gamble Manufacturing Company and Monsanto Chemical Company, both at Westover (near Augusta), Georgia; Allied Mills, Troy, Alabama; plastic container plant of Owens-Illinois Glass Company, Hapeville, Georgia, and a large distribution warehouse of U. S. Rubber Company at Forest Park, Georgia. Construction was started in 1961 on the Southern Land, Timber & Pulp Corporation kraft linerboard mill at Cedar Springs, Georgia, with production scheduled to start in December 1962. Georgia Power Company announced plans to construct a large steam electric generating plant on Lake Sinclair, near Milledgeville, Georgia. Construction is scheduled to start during late 1962 and the first unit is expected to go into operation in early 1965. There is every indication that industrial development will continue very active during the year 1962.

The handling of trailer-on-flat-car traffic, and the movement of automobiles in bi-level and tri-level rack equipment has steadily increased since this service was inaugurated by Central of Georgia in April 1961. Continued steady growth is anticipated for 1962.

On February 21, 1962 the I.C.C. Examiner released his proposed report and order on the application of Southern Railway Company to acquire control of Central of Georgia and its subsidiary companies through the purchase of Central's capital stock. The report recommends approval of the proposed acquisition of stock control subject to conditions for the protection of adversely affected railway employees, commonly referred to as the "Oklahoma Conditions" and conditions for the maintenance of existing routes and channels of trade. Any exceptions to the report must be filed within 30 days from February 21, 1962 and if exceptions are filed replies thereto must be filed within 20 days after the final date for filing exceptions. The hearing examiner's report includes a provision to require Southern to acquire as much of Central's preferred and common stock as is made available to it within 90 days from date of consummation of control at the same prices proposed to be paid for stock now owned by St. Louis-San Francisco Railway Company; i.e., $81.69 for the preferred and $54.29 for the common. Your management has supported the proposed acquisition of control by Southern in the belief that it will benefit Central of Georgia Railway Company and its minority stockholders and will be in the public interest.

Once again it is a pleasure to acknowledge, with appreciation, the loyalty and cooperation of your Company's shareholders, patrons, employees and officers.

AWLedbetter

A. W. LEDBETTER,
Chairman of the Board

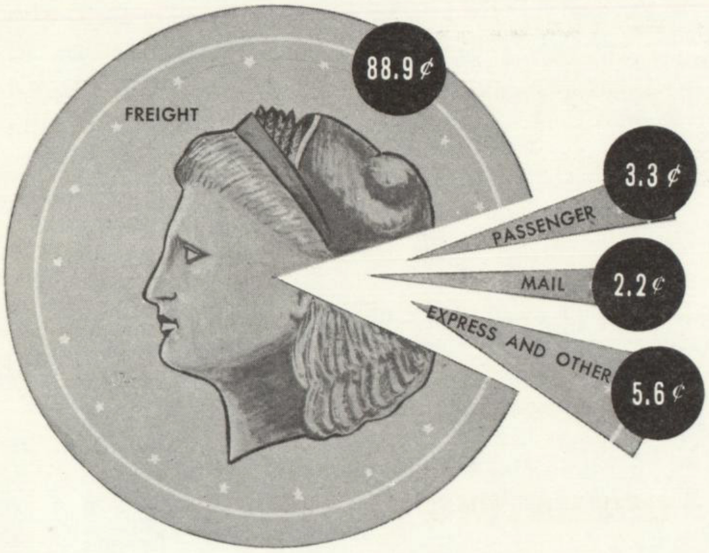
W E Dillard

W. E. DILLARD,
President

March 15, 1962

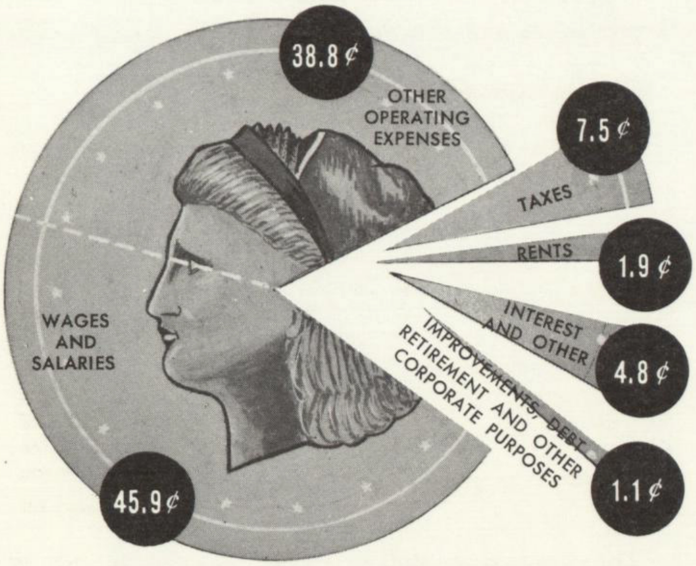
OUR DOLLAR DURING CALENDAR YEAR 1961

REVENUE AND EARNINGS



Freight Revenue	$38,094,754
Passenger Revenue	1,414,317
Mail Revenue	927,812
Express Revenue	516,502
All other Revenues	1,032,170
Other Income	878,600
Total	$42,864,155

EXPENDITURES



Operating Expenses:	
Wages and Salaries	$19,678,668
Other Operating Expenses	16,655,150
Taxes	3,196,725
Net Equipment and Joint Facility Rents	763,666
Miscellaneous Rents, Taxes and Income Charges	39,906
Bond Interest	435,280
Interest—Equipment and Other Obligations	1,008,279
Other Charges	26,597
Interest—Income Bonds	573,548
Improvements, Debt Retirement and Other Corporate Purposes	486,336
TOTAL	$42,864,155

CENTRAL
OF GEORGIA
RAILWAY COMPANY

THE REPORT FOR 1961

OPERATING REVENUES

Revenues received in 1961 from the transportation of freight, passengers, mail, express and other services were $41,985,555. This was an increase of $187,297 or .45% over the preceding year. Increases of $402,229—1.07% in freight revenue; $65,091—7.54% in mail revenue; $9,238—1.76% in switching revenue; $27,418—20.54% in other operating revenues. The decreases were $5,347—.38% in passenger revenue; $291,087—36.04% in express revenue and $20,245—5.68% in miscellaneous revenues.

A graphic illustration of the sources of Central's revenue dollar will be found on page 4 of this report.

FREIGHT TRAFFIC

Freight revenue was $38,094,754 against $37,692,525 for the previous year, an increase of $402,229. Loaded freight cars handled during 1961 totaled 463,832, a decrease of 2.20% under the previous year, and there was an increase of .51% in ton miles of revenue freight. Revenue per ton mile in 1961 was 1.21¢ compared with 1.20¢ in 1960.

Following is a tabulation of gross freight revenue for 1961 compared with 1960. These figures are shown without adjustment for absorptions or corrections.

	Year 1961	Year 1960
Products of Agriculture	$ 3,448,947	$ 3,650,475
Animals and Products	361,816	389,974
Products of Mines	11,617,477	10,922,165
Products of Forests	4,410,757	4,660,674
Manufactures and Miscellaneous	19,299,496	18,780,848
Forwarder Traffic	187,938	337,498
Total Carload Freight	$39,326,431	$38,741,634
Less than Carload Freight	494,714	583,535
TOTAL	$39,821,145	$39,325,169

PASSENGER TRAFFIC

Revenue derived from transportation of passengers during 1961 was $1,414,317 compared with $1,419,664 for the previous year, a decrease of $5,347. Passenger service train revenues totaled $3,026,844, a decrease of $236,966 compared with the previous year.

Statistically, the average miles per passenger in 1961 was 169 compared with 167 for the year 1960. The average revenue per passenger mile in 1961 was 2.75¢ compared with 2.70¢ in 1960. Passenger train miles in 1961 were 734,513, a decrease of 1,116 compared with 1960.

OPERATING EXPENSES

Total operating expenses for 1961 amounted to $36,333,818 against $36,952,594 for the year 1960, a decrease of $618,776 or 1.67%. Wages and the price of material continued to increase during the year of 1961 but by strict supervision and economy a decrease in operating expenses was achieved.

Maintenance of way accounts, other than depreciation and retirements, increased $129,642.

Maintenance of equipment accounts, other than depreciation and retirements, decreased $1,099,739.

Traffic expenses increased $24,457.

Transportation expenses increased $434,202 and is summarized by services as follows:

	1961	1960	+ Increase — Decrease
Supervision	$ 735,199	$ 746,288	—$ 11,089
Station Service	1,925,718	2,015,987	— 90,269
Yard Service	5,142,527	4,902,207	+ 240,320
Train Service—Passenger	1,347,071	1,324,821	+ 22,250
Train Service—Freight	5,891,736	5,647,175	+ 244,561
Miscellaneous	731,937	671,150	+ 60,787
Casualties	1,134,631	1,128,165	+ 6,466
Joint Facilities	928,168	966,992	— 38,824
	$17,836,987	$17,402,785	+$434,202

The decrease in station service was due mainly to discontinuance of unnecessary station agencies.

The increase in yard and train service was caused by the increase in traffic and wages. Transportation employees were allowed 2% increase in base pay as of July 1, 1960 and March 1, 1961. The increase in miscellaneous transportation expenses was caused by health and welfare benefits effective March 1, 1961.

The increase in general expenses was caused by the granting of wage increase and health and welfare benefits that were effective July 1, 1960.

Detail of increases and decreases by individual accounts will be found in Table No. 4, Pages 14-16.

TAXES

Total taxes for the year 1961 amounted to $3,196,725 and comparison with 1960 is as follows:

	Year 1961	Year 1960
Railroad Retirement Tax	$1,076,482	$1,130,096
Railroad Unemployment Insurance Tax	598,018	627,702
State, County and Municipal Taxes	1,241,269	1,270,746
Sales and Miscellaneous Taxes	280,956	296,879
TOTAL	$3,196,725	$3,325,423

The decrease in railroad retirement and unemployment taxes was mainly caused by the decrease in the number of employees.

No accrual of Federal or State income taxes was included in accounts for 1961 due to special deductions available for tax purposes. Deductions for the excess of amortizations of defense facilities over recorded depreciation for tax purposes have been completely exhausted and for the year 1961, the straight-line depreciation recorded in the accounts, but not allowable for tax purposes due to the equipment being now fully amortized, creates a credit of $73,575 that must be added back to any income exposed to Federal Income Tax, however, the excess of depreciation under the declining balance method of depreciation over recorded straight-line depreciation amounts to $584,165. The net of these special deductions is $510,590. In addition, the unused loss carry-over from 1958 is $656,813 and from 1960 is $1,573,345. Estimated net taxable income for year 1961 before net special deductions detailed above is $377,982. The use of the special deductions shown above is illustrated in the following compilation:

Excess of recorded straight-line depreciation over amortization of defense facilities		$ 73,575 Cr.	
Excess of depreciation under declining balance method of depreciation		584,165	
Net		510,590	
Unused loss carry-over—1958	$ 656,813		
—1960	1,573,345	2,230,158	
Total			$2,740,748
Estimated net taxable income, 1961, before special deductions			377,982
Net			$2,362,766
Available to carry-over into years—			
1962-63		$ 656,813	
1962-1965		1,573,345	
1962-1966		132,608	
TOTAL			$2,362,766

LONG TERM DEBT

Long Term Debt decreased during the year $704,706, as follows:

Retirement of Bonds through First and General Mortgage Bonds Sinking Fund Provisions—	
First Mortgage Bonds	$ 60,000
General Mortgage Bonds	84,900
Payments on Equipment Obligations (details page 19)	2,806,003
Total Decrease	$2,950,903
Less New Equipment Obligations (detail page 19)	2,246,197
Net Decrease in Long Term Debt	$ 704,706

ADDITIONS AND BETTERMENTS

Gross expenditures for improvements chargeable to capital account during 1961 totaled $3,028,557. These charges were partially offset by credits for retirements aggregating $2,162,156, the net result being an increase in capital account, including investments in leased property of $866,401.

EQUIPMENT

The principal capital account expenditures for additions and improvements to equipment were the purchase of seventy-five all steel triple hopper cars, 3,818 cubic feet capacity and completion of rebuilding three hundred twenty seven 50-ton 40'6" steel sheathed box cars.

During the year, heavy repairs and equipment modernization was given to forty-three diesel engines, seventy-nine freight cars, two baggage and express cars and one grill lounge car assigned to Nancy Hanks, II.

TRACKS

Four company tracks were constructed or extended aggregating 3.30 miles, and twelve company tracks were removed or shortened aggregating 1.17 miles. The net increase was 2.13 miles.

The net increase in industrial tracks was 4.11 miles as follows:

33 tracks were constructed or extended aggregating 5.68 miles
20 tracks were removed or shortened aggregating 1.57 miles

The following crossties were used during the year:

241,675 new treated crossties—renewals
12,942 new treated crossties—new tracks

ROADWAY EQUIPMENT

The following roadway equipment was acquired during the year:

1—¾-ton heavy duty truck
1—1-ton heavy duty pick-up truck
1—Fairmont Model A 5 Series "C" motor car
1—Portable, power driven rail saw
1—Six cylinder four-door sedan type automobile
1—Fairmont Model M-9 Series "G" inspection motor car

BRIDGES AND BUILDINGS

Alterations were made in Accounting Department building to provide space for 1401 Data Processing System at Savannah, Georgia.

Constructed Piggy-back facilities at East Point, Georgia.

Constructed new combination Freight and Passenger Depot at Pine Mountain, Georgia.

Lowered main line under overhead bridges in Macon, Georgia at Second and Pio Nono Avenues, Elm, Hazel, and Oglethorpe Streets to provide adequate clearance for handling automobiles in tri-level rack cars and trailers on flat cars.

COMMUNICATIONS

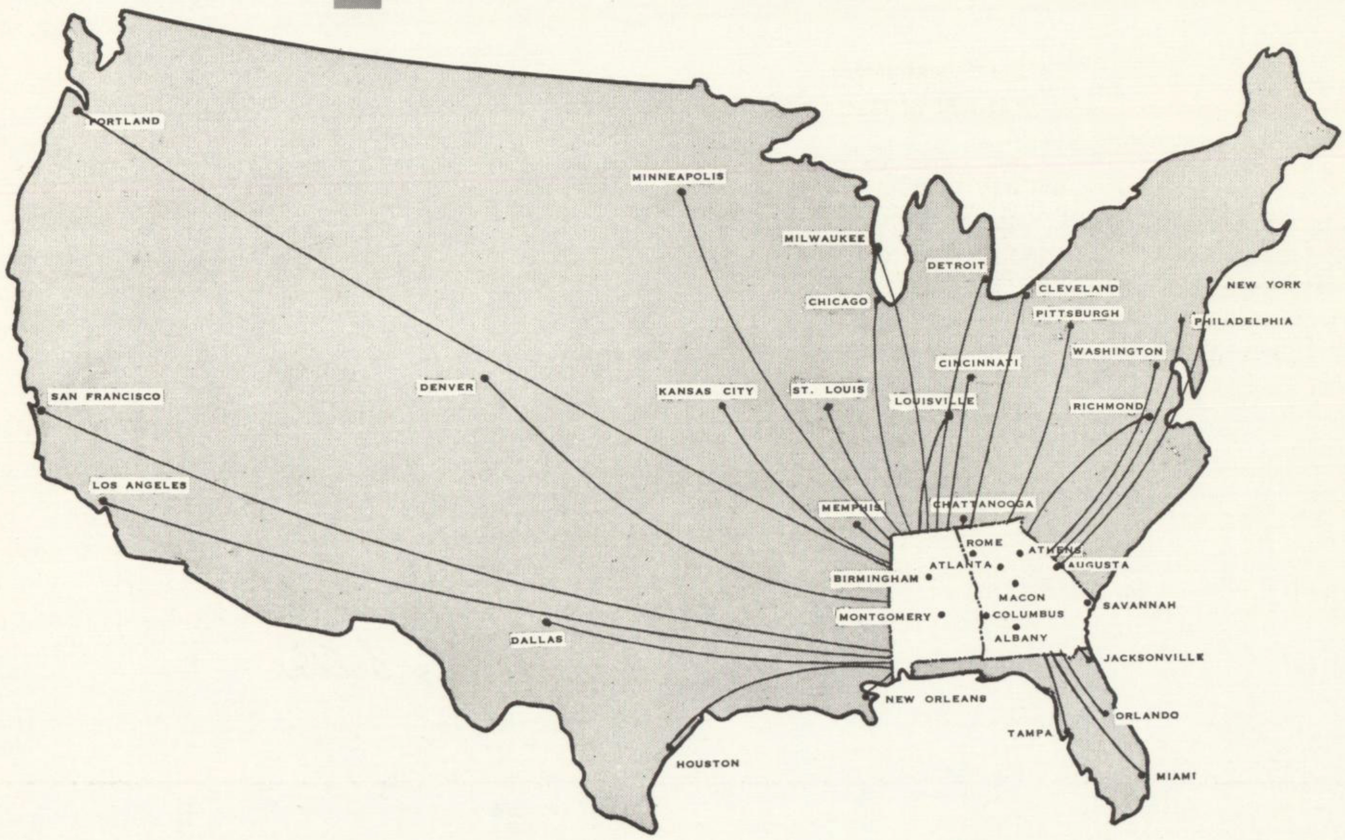
Purchased test apparatus for adjusting, calibrating and repairing narrow band radio equipment at Columbus, Macon and Industry Yard, Georgia.

Installed radio base station at Eufaula, Alabama.

SIGNALS

Installed automatic flashing light type railway-highway crossing signals at McBean, Bush Field and Oconee, Georgia and automatic flashing light type with short arm gates at Brakefield Crossing, Leeds, Alabama.

LOCATIONS OF FREIGHT AND PASSENGER SERVICE REPRESENTATIVES



Call, phone or write our nearest Representative for information. He will gladly assist you in every way possible with your shipping and travel problems.

ALBANY—
500 N. Washington St.,
Telephone 436-7278
Assistant General Freight Agent

ATHENS—
105 Mitchell St.,
Telephone LIberty 6-8238
District Freight Agent

ATLANTA—
Terminal Station
Telephone JAckson 2-8181
Division Passenger Agent
181 Alabama St., S. W., Telephone PLaza 8-7551
Asst. Freight Traffic Manager

AUGUSTA—
Campbell Building, 102 8th St., Telephone PArk 4-4343
Division Freight Agent

BIRMINGHAM—
621 Brown-Marx Bldg., 2000 First Ave., North
Telephone ALpine 1-6231
District Passenger Agent
601-606 Brown-Marx Bldg., First Avenue and
20th St., Telephone FAirfax 4-5661
Asst. Freight Traffic Manager

BOSTON—
47 Donna Road
South Weymouth, 90, Mass.
Telephone EDgewater 7-3357
New England Agent

CHATTANOOGA—
1478 Market St., Telephone AMherst 5-3123
Division Freight Agent

CHICAGO—
658 Marquette Bldg., 140 So. Dearborn St.,
Telephone DEarborn 2-5566
Western Traffic Manager

CINCINNATI—
712 Dixie Terminal Bldg., 49 East 4th St.,
Telephone MAin 1-0636
General Agent

CLEVELAND—
507 Terminal Tower Bldg., 50 Public Square,
Telephone TOwer 1-2395
General Agent

COLUMBUS—
Union Passenger Station, 12th St. and 6th Ave.,
Telephones FAirfax 3-3462, 3-5658
Division Passenger Agent
12th St. and 7th Ave., Telephone FAirfax 2-0645
Assistant General Freight Agent

DALLAS—
1415 Tower Petroleum Bldg.,
1907 Elm St., Telephone RIverside 7-0590
General Agent

DENVER—
1863 South Jackson Street
Telephone SKyline 6-4702
Freight Traffic Representative

DETROIT—
816 Book Building, 1249 Washington Blvd.,
Telephone WOodward 2-3515
Central Western Agent

HOUSTON—
7234 Neff Street
Telephone GYpsy 4-2790
Commercial Agent

JACKSONVILLE—
1014 Florida Title Bldg., 110 W. Forsyth St.,
Telephone ELgin 3-3177
Florida Freight Agent

KANSAS CITY—
810 Fairfax Bldg., 101 West 11th Street,
Telephone VIctor 2-3937
General Agent

LOS ANGELES—
1111 W. I. Hollingsworth Bldg., 606 S. Hill St.,
Telephone MAdison 2-6936
General Agent

LOUISVILLE—
645 Starks Bldg., 455 So. 4th St.,
Telephone JUniper 3-5701
General Agent

MACON—
101 Terminal Station, Telephone SHerwood 5-6531
Division Passenger Agent
109 Terminal Station, Telephone SHerwood 5-6531
Asst. Freight Traffic Manager

MEMPHIS—
819 Sterick Bldg., 3rd Street
and Madison Avenue
Telephone JAckson 6-8033
General Agent

MIAMI—
710 Ingraham Bldg., 25 S. E. 2nd Avenue,
Telephone FRanklin 1-5519
Florida Freight Agent

MILWAUKEE—
1420 Majestic Bldg., 231 W. Wisconsin Ave.
Telephone BRoadway 2-4165
General Agent

MINNEAPOLIS—
610 Rand Tower, 527 Marquette Ave.,
Telephone FEderal 8-1775
General Agent

MONTGOMERY—
609-11 First National Bank Bldg.,
8 Commerce St., Telephone 265-6726
Division Freight Agent

NASHVILLE—
4717 West Longdale Drive, Telephone VErnon 2-8358
Commercial Agent

NEW ORLEANS—
1632 National Bank of Commerce Bldg.,
210 Baronne St., Telephone JAckson 5-2974
General Agent

NEW YORK—
1580 Woolworth Building, 233 Broadway,
Telephone WOrth 2-5252
Eastern Traffic Manager
Foreign Frt. Agent

ORLANDO—
714 One North Orange Building
Telephone GArden 2-6557
Florida Freight Agent

PHILADELPHIA—
1509 Finance Bldg., 1428 South Penn Square,
Telephone LOcust 7-6016
General Agent

PITTSBURGH—
1338 Oliver Bldg., Mellon Square,
Telephone ATlantic 1-2055
General Agent

PORTLAND—
619 Terminal Sales Bldg., 1220 S. W. Morrison St.,
Telephone 223-0996
General Agent

RICHMOND—
1210 State Planters Bank Bldg., Main and Ninth Street,
Telephone MIlton 4-2714
General Agent

ROME—
17 E. 2nd Ave., Telephone 232-4978
District Freight Agent

ST. LOUIS—
852-53 Cotton Belt Bldg., 408 Pine Street,
Telephone CHestnut 1-7868
Western Traffic Agent

SAN FRANCISCO—
347 Monadnock Bldg., 681 Market Street,
Telephone DOuglas 2-7124
General Agent

SAVANNAH—
301 West Broad St., Telephone ADams 2-5517
General Passenger Agent
233 West Broad St., Telephone ADams 2-6159
Assistant Freight Traffic Manager

TAMPA—
504 First National Bank Bldg., 215 Madison St.,
Telephone 229-6416
General Agent

WASHINGTON—
227 Shoreham Bldg., 15th and H Sts., N. W.,
Telephone EXecutive 3-8202
General Agent

ACCOUNTANTS' OPINION

HASKINS & SELLS
CERTIFIED PUBLIC ACCOUNTANTS

TWO BROADWAY
NEW YORK 4

To the Stockholders,
Central of Georgia Railway Company:

We have examined the balance sheet of Central of Georgia Railway Company as of December 31, 1961 and the related statements of income and of retained income-unappropriated (Pages 10 to 13, inclusive) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

The Company is required to maintain its accounts in conformity with the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission. As explained in Note 1, the provisions of such system vary in certain respects from generally accepted accounting principles.

In our opinion, with the exception referred to in the preceding paragraph, the accompanying statements present fairly the financial position of the Company at December 31, 1961 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

March 5, 1962.

INDEX

TABLE		PAGE
1	Income Statement	10-11
2	Statement of Retained Income—Unappropriated	11
3	Balance Sheet	12-13
4	Detail of Railway Operating Expenses	14-15-16
5	Investment Securities Owned—Par Value	17
6	Long Term Debt and Interest	18
7	Analysis of Equipment Trust Obligations and Equipment Purchase Agreements	19
8	Consolidated Income Statement	20-21
9	Consolidated Balance Sheet	22-23-24-25
10	Classification of Revenue Freight	26

INCOME STATEMENT

TABLE 1

For the Years Ended December 31, 1961 and 1960

Accounts	1961	1960
Average miles operated	1,745	1,745
Railway Operating Revenues:		
Rail Line Transportation:		
Freight	$38,094,754	$37,692,525
Passenger	1,414,317	1,419,664
Mail	927,812	862,721
Express	516,502	807,587
Switching	534,907	525,669
Other	5,191	4,579
Total rail-line transportation revenue	41,493,483	41,312,745
Incidental Operating Revenue	462,737	454,355
Joint Facility Operating Revenue	29,335	31,158
Total railway operating revenues	41,985,555	41,798,258
Railway Operating Expenses:		
Maintenance of way and structures	6,603,911	6,468,517
Maintenance of equipment	7,333,035	8,632,335
Traffic	2,065,979	2,041,522
Transportation—rail line	17,836,987	17,402,785
Miscellaneous operations	229,653	232,579
General	2,264,253	2,174,856
Total railway operating expenses	36,333,818	36,952,594
Net revenue from railway operations	5,651,737	4,845,664
Railway Tax Accruals:		
Federal income taxes (Note 1)	....	....
State income taxes	....	....
Pay roll taxes	1,674,500	1,757,798
All other taxes	1,522,225	1,567,625
Total railway tax accruals	3,196,725	3,325,423
Railway operating income	2,455,012	1,520,241
Rent Income:		
Hire of freight cars	....	98,595
Rent from locomotives	159,162	172,004
Rent from passenger-train cars	466,364	485,883
Rent from work equipment	10,171	8,468
Joint facility rent income	184,827	183,513
Total rent income	820,524	948,463
Gross railway operating income	3,275,536	2,468,704
Rents Payable:		
Hire of freight cars	698,412	....
Rent for locomotives	122,203	165,165
Rent for passenger-train cars	398,359	405,862
Rent for work equipment	2,097	2,627
Joint facility rents	363,119	359,928
Total rents payable	1,584,190	933,582
Net railway operating income	1,691,346	1,535,122
Other Income:		
Income from lease of road and equipment	36,600	36,963
Miscellaneous rent income	100,698	110,260
Income from nonoperating property	72,724	77,972
Dividend income	2,977	5,671
Interest income	236,270	354,159
Miscellaneous income:		
From contract work for others—estimated	318,200	295,000
Profit on bonds reacquired, sale of land, etc.	111,131	97,810
Total other income	878,600	977,835
Total income—carried forward	$ 2,569,946	$ 2,512,957

INCOME STATEMENT (Concluded)

TABLE 1

For the Years Ended December 31, 1961 and 1960

Accounts	1961	1960
Total income—brought forward	$2,569,946	$ 2,512,957
Miscellaneous Deductions from Income:		
Miscellaneous rents	83	83
Miscellaneous tax accruals	8,811	8,601
Miscellaneous income charges	31,012	44,841
Total miscellaneous deductions	39,906	53,525
Income available for fixed charges	2,530,040	2,459,432
Fixed Charges:		
Rent for leased roads and equipment	9,371	10,187
Interest on funded debt:		
Mortgage bonds	435,280	437,713
Equipment obligations and notes	1,008,279	1,057,421
Amortization of discount on funded debt	17,226	17,837
Total fixed charges	1,470,156	1,523,158
Income after fixed charges	1,059,884	936,274
Other Deductions:		
Contingent interest	573,548	582,186
Net Income	$ 486,336	$ 354,088

STATEMENT OF RETAINED INCOME – UNAPPROPRIATED

TABLE 2

For the Year Ended December 31, 1961

CREDIT BALANCE January 1, 1961	$16,785,841
CREDITS:	
Net income for the year	486,336
Total	17,272,177
DEBITS:	
Additional loss on sale of property in 1958	18,030
CREDIT BALANCE December 31, 1961	$17,254,147

See Notes on Pages 12 and 13

BALANCE SHEET

December 31, 1961 and 1960

TABLE 3

Assets	1961	1960
Current Assets:		
Cash	$ 3,143,761	$ 2,335,775
Temporary cash investments	3,628,007	4,029,210
Special deposits	436,143	394,418
Loans and notes receivable	477	2,000
Net balance receivable from agents and conductors	678,734	534,620
Miscellaneous accounts receivable	1,435,832	1,356,598
Interest and dividends receivable	32,784	28,157
Accrued accounts receivable	831,848	784,305
Working fund advances	35,865	41,472
Prepayments	72,819	70,062
Material and supplies	2,716,819	2,818,831
Other current assets	63,305	57,524
Total current assets	13,076,394	12,452,972
Special Funds:		
Sinking funds	630	....
Capital and other reserve funds	164,399	646,298
Total special funds	165,029	646,298
Investments—Principally at cost (Page 17):		
Affiliated companies	14,385,745	14,903,143
Other	1,842,231	1,291,893
Total investments	16,227,976	16,195,036
Properties:		
Road and equipment property:		
Road	74,231,552	73,896,437
Equipment	72,534,322	71,984,102
General expenditures	3,728,787	3,731,047
Improvements on leased property	285,721	302,395
Acquisition adjustment	Cr. 11,347,213	Cr. 11,924,884
Donations and grants	Cr. 1,088,306	Cr. 1,031,516
Total transportation property	138,344,863	136,957,581
Accrued depreciation and amortization:		
Road	Cr. 11,728,733	Cr. 11,249,843
Equipment	Cr. 32,677,950	Cr. 31,841,083
Total transportation property less recorded depreciation and amortization	93,938,180	93,866,655
Miscellaneous physical property (less recorded depreciation of $210,591)	1,664,592	2,216,767
Total properties less recorded depreciation and amortization	95,602,772	96,083,422
Other Assets and Deferred Charges:		
Other assets	254,585	253,844
Unamortized discount on long term debt	116,775	125,730
Other deferred charges	582,267	672,653
Total other assets and deferred charges	953,627	1,052,227
Total Assets	$126,025,798	$ 126,429,955

Note 1 — The provisions of the Uniform System of Accounts for Railroad Companies prescribed by the Interstate Commerce Commission vary from generally accepted accounting principles in that, under the Uniform System, no accounting recognition is given to the possible effect on income taxes in future years of current reductions in income taxes resulting from the deductions for amortization and depreciation of property for income tax purposes in excess of those recorded in the accounts. The cumulative amount of such reductions in income taxes included in retained income at December 31, 1961 was $9,449,379. The amount of such deductions which has not been used in computing taxable income and which is being carried forward for income tax purposes is detailed on Page 6.

Note 2 — The current cost of renewals and maintenance of parts of the track structure is charged to maintenance expense, and additions and betterments to the structure are capitalized. Provision for depreciation has been made as to all other classes of transportation property. Charges for these operating costs are summarized as follows:

	1961	1960
Provision for depreciation of road and equipment	$3,031,884	$2,886,983
Renewals and maintenance of track structure	3,263,581	3,316,517
Total	$6,295,465	$6,203,500

BALANCE SHEET

December 31, 1961 and 1960

TABLE 3

Liabilities and Shareholders' Equity	1961	1960
Current Liabilities:		
Traffic and car-service balances	$ 1,079,014	$ 507,950
Audited accounts and wages payable	1,069,552	1,150,670
Miscellaneous accounts payable	589,506	592,999
Interest matured unpaid	280,804	347,605
Unmatured interest accrued	875,673	888,049
Accrued accounts payable	2,248,835	2,311,517
Federal income tax accrued (Note 1)	....	....
Other taxes accrued	233,077	242,179
Other current liabilities	523,545	528,717
Total current liabilities (Excludes long term debt due within one year)	6,900,006	6,569,686
Long Term Debt Due Within One Year:		
Equipment obligations (Page 18)	2,827,119	2,650,832
Sinking fund requirements—First and General Mortgage Bonds	130,197	129,567
Total long term debt due within one year	2,957,316	2,780,399
Long Term Debt (Due After One Year) (Page 18):		
First Mortgage 4% Bonds, Series A, due January 1, 1995	10,817,133	10,877,133
General Mortgage 4½% Income Bonds:		
Series A, due January 1, 2020	124,470	212,000
Series B, due January 1, 2020	12,539,800	12,539,800
Equipment obligations	20,603,462	21,339,555
Amounts payable to affiliated companies—Open account	2,934,500	2,934,500
Total long term debt (due after one year)	47,019,365	47,902,988
Other Liabilities and Deferred Credits:		
Other liabilities	215,073	128,123
Other deferred credits	477,041	1,081,870
Accrued depreciation—Leased property	430,088	408,286
Total other liabilities and deferred credits	1,122,202	1,618,279
Shareholders' Equity:		
Capital Stock:		
Preferred 5% ($100 par value)	17,039,400	17,039,400
Common (without par value)	33,724,200	33,724,200
Total capital stock	50,763,600	50,763,600
Capital Surplus—Paid in	9,162	9,162
Retained Income—Unappropriated	17,254,147	16,785,841
Total shareholders' equity	68,026,909	67,558,603
Total Liabilities and Shareholders' Equity	$126,025,798	$ 126,429,955

Note 3 — Preferred stock dividends are cumulative for a period of three years. At December 31, 1961 the accumulation for such unpaid dividends amounted to $1,703,940.

Note 4 — The Company is liable as guarantor (jointly and severally with other railroads) for the principal and interest of $648,000 First Mortgage, Series A, 4% Bonds of Atlanta Terminal Company, and $1,366,000 First Mortgage, 5% Bonds of Macon Terminal Company.

The Company, as owner of 2.7027% of the capital stock of Trailer Train Company, is obligated, together with other proprietary companies, to advance to Trailer Train Company such sums as may be needed by that Company to pay principal and interest of certain of its outstanding obligations. At December 31, 1961, such obligations amounted to $84,695,761.

Under certain conditions the Company is obligated to pay insurance premiums of a presently undetermined amount and under the policy has limited protection against certain losses which might be sustained from work stoppages growing out of labor disputes.

DETAIL OF RAILWAY OPERATING EXPENSES

TABLE 4

Accounts	Year Ended December 31		+ Increase — Decrease
	1961	1960	
Maintenance of Way and Structures:			
Superintendence	$ 725,178	$ 676,092	$+ 49,086
Roadway maintenance	452,301	379,306	+ 72,995
Tunnels and subways	27	3,003	— 2,976
Bridges, trestles and culverts	105,883	151,815	— 45,932
Ties—Switch and bridge	44,762	46,348	— 1,586
Ties—Cross	886,831	461,805	+ 425,026
Rails	10,301	311,125	— 300,824
Other track material	439,341	460,305	— 20,964
Ballast	281,930	208,755	+ 73,175
Track laying and surfacing	1,600,417	1,828,179	— 227,762
Fences, snowsheds and signs	5,305	10,764	— 5,459
Station and office buildings	141,732	154,918	— 13,186
Roadway buildings	1,381	5,462	— 4,081
Water stations	78	27	+ 51
Fuel stations	8,471	5,751	+ 2,720
Shops and enginehouses	59,384	88,851	— 29,467
Storage warehouses	....	70	— 70
Communication systems	200,002	226,502	— 26,500
Signals and interlockers	138,304	146,023	— 7,719
Power plants	47	69	— 22
Power-transmission systems	4,253	9,718	— 5,465
Roadway machines	411,840	343,441	+ 68,399
Dismantling retired road property	23,047	27,543	— 4,496
Small tools and supplies	181,130	150,802	+ 30,328
Removing snow, ice and sand	340	1,332	— 992
Public improvements—Maintenance	59,063	42,641	+ 16,422
Injuries to persons	36,000	29,000	+ 7,000
Insurance	18,275	15,434	+ 2,841
Stationery and printing	11,623	10,348	+ 1,275
Other expenses	155,155	100,118	+ 55,037
Maint'g. Jt. Tr., Yds. and other Fac.—Dr.	159,015	166,117	— 7,102
Maint'g. Jt. Tr., Yds. and other Fac.—Cr.	146,284	176,174	— 29,890
Total Expended	6,015,132	5,885,490	+ 129,642
Road property—depreciation	551,838	499,660	+ 52,178
Retirements—road—not replaced	36,941	83,367	— 46,426
Total Maintenance of Way and Structures	6,603,911	6,468,517	+ 135,394
Maintenance of Equipment:			
Superintendence	351,425	372,719	— 21,294
Shop machinery	76,198	99,522	— 23,324
Power plant machinery	13,425	12,935	+ 490
Other locomotives—Passenger-Repairs	233,464	242,477	— 9,013
Other locomotives—Freight-Repairs	1,534,976	1,598,549	— 63,573
Other locomotives—Switching-Repairs	270,377	268,004	+ 2,373
Freight-train cars—Repairs	2,039,515	3,004,163	— 964,648
Passenger-train cars—Repairs	268,298	360,420	— 92,122
Work equipment—Repairs	49,637	47,933	+ 1,704
Miscellaneous equipment—Repairs	90,106	84,043	+ 6,063
Dismantling retired equipment	33,361	18,642	+ 14,719
Injuries to persons	54,000	43,500	+ 10,500
Insurance	93,715	94,770	— 1,055
Stationery and printing	8,234	9,000	— 766
Carried Forward	$5,116,731	$ 6,256,677	$— 1,139,946

DETAIL OF RAILWAY OPERATING EXPENSES (Continued) TABLE 4

Accounts	Year Ended December 31		+ Increase — Decrease
	1961	1960	
Maintenance of Equipment—(Concluded)			
Brought Forward	$ 5,116,731	$ 6,256,677	$— 1,139,946
Other expenses	145,918	94,867	+ 51,051
Joint maintenance of equip't. expenses—Dr.	16,980	19,979	— 2,999
Joint maintenance of equip't. expenses—Cr.	55,427	47,582	+ 7,845
Total expended	5,224,202	6,323,941	— 1,099,739
Shop and power plant machinery—Depreciation	41,381	36,975	+ 4,406
Retirements—Equipment	Cr. 371,213	Cr. 78,929	— 292,284
Equipment—Depreciation	2,438,665	2,350,348	+ 88,317
Total Maintenance of Equipment	7,333,035	8,632,335	— 1,299,300
Traffic:			
Superintendence	453,972	421,631	+ 32,341
Outside agencies	1,341,582	1,343,100	— 1,518
Advertising	37,777	37,146	+ 631
Traffic associations	46,568	52,772	— 6,204
Industrial and immigration bureaus	80,570	84,421	— 3,851
Insurance	4,160	5,510	— 1,350
Stationery and printing	81,538	84,728	— 3,190
Other expenses	19,812	12,214	+ 7,598
Total Traffic	2,065,979	2,041,522	+ 24,457
Transportation—Rail Line:			
Superintendence	523,650	516,052	+ 7,598
Dispatching trains	211,550	230,236	— 18,686
Station employees	1,704,700	1,782,901	— 78,201
Weighing, inspn. and demurrage bureaus	87,027	90,211	— 3,184
Station supplies and expenses	133,991	142,875	— 8,884
Yardmasters and yard clerks	969,778	955,847	+ 13,931
Yard conductors and brakemen	2,381,438	2,246,194	+ 135,244
Yard switch and signal tenders	88,727	85,815	+ 2,912
Yard enginemen	1,256,477	1,176,611	+ 79,866
Yard switching fuel	175,996	165,702	+ 10,294
Lubricants for yard locomotives	28,738	29,545	— 807
Other supplies for yard locomotives	12,511	12,115	+ 396
Enginehouse expenses—Yard	128,064	130,077	— 2,013
Yard supplies and expenses	100,798	100,301	+ 497
Operating joint yards and terminals—Dr.	1,316,057	1,325,875	— 9,818
Operating joint yards and terminals—Cr.	427,379	387,073	+ 40,306
Passenger enginemen	310,380	306,628	+ 3,752
Freight enginemen	1,296,454	1,181,530	+ 114,924
Train fuel—Passenger	279,291	277,791	+ 1,500
Train fuel—Freight	1,408,441	1,326,339	+ 82,102
Lubricants for passenger locomotives	25,320	26,705	— 1,385
Lubricants for freight locomotives	163,298	178,067	— 14,769
Other supplies for passenger locomotives	10,756	10,941	— 185
Other supplies for freight locomotives	71,002	73,035	— 2,033
Enginehouse expenses—Passenger	106,427	109,347	— 2,920
Enginehouse expenses—Freight	332,998	386,350	— 53,352
Passenger trainmen	345,631	351,247	— 5,616
Freight trainmen	1,721,827	1,567,290	+ 154,537
Train supplies and expenses—Passenger	234,901	215,347	+ 19,554
Train supplies and expenses—Freight	897,716	934,564	— 36,848
Signal and interlocker operation	149,295	155,268	— 5,973
Crossing protection	41,512	40,116	+ 1,396
Carried Forward	$16,087,372	$ 15,743,849	$+ 343,523

DETAIL OF RAILWAY OPERATING EXPENSES (Concluded) TABLE 4

Accounts	Year Ended December 31		+ Increase — Decrease
	1961	1960	
Transportation-Rail Line—(Concluded)			
Brought Forward	$16,087,372	$ 15,743,849	$+ 343,523
Communication system operation	139,144	136,263	+ 2,881
Stationery and printing	102,258	93,717	+ 8,541
Other expenses	176,166	119,118	+ 57,048
Operating joint tracks and fac.—Dr.	79,488	68,168	+ 11,320
Operating joint tracks and fac.—Cr.	39,999	39,978	+ 21
Insurance	123,562	126,668	— 3,106
Clearing wrecks	184,740	167,347	+ 17,393
Damage to property	75,674	77,934	— 2,260
Damage to live stock on right-of-way	3,821	4,887	— 1,066
Loss and damage—Freight	480,000	500,000	— 20,000
Loss and damage—Baggage	396	497	— 101
Injuries to persons	390,000	377,500	+ 12,500
Operating sleeping cars	34,365	26,815	+ 7,550
Total Transportation—Rail Line	17,836,987	17,402,785	+ 434,202
Miscellaneous Operations:			
Dining and buffet service	229,653	232,579	— 2,926
Operating joint misc. fac.—Dr.			
Total Miscellaneous Operations	229,653	232,579	— 2,926
General:			
Salaries and expenses of general officers	304,923	296,739	+ 8,184
Salaries and exps. of clerks and attendants	1,183,121	1,172,657	+ 10,464
General office supplies and expenses	153,190	108,449	+ 44,741
Law expenses	184,009	190,309	— 6,300
Insurance	49,582	44,809	+ 4,773
Pensions and group insurance	152,195	136,497	+ 15,698
Stationery and printing	61,307	57,955	+ 3,352
Valuation expenses	Cr. 3		— 3
Other expenses	163,644	155,454	+ 8,190
General joint facilities—Dr.	12,507	12,238	+ 269
General joint facilities—Cr.	222	251	— 29
Total General	2,264,253	2,174,856	+ 89,397
Recapitulation			
Maintenance of way and structures	6,603,911	6,468,517	+ 135,394
Maintenance of equipment	7,333,035	8,632,335	— 1,299,300
Traffic	2,065,979	2,041,522	+ 24,457
Transportation—rail line	17,836,987	17,402,785	+ 434,202
Miscellaneous operations	229,653	232,579	— 2,926
General	2,264,253	2,174,856	+ 89,397
Total Railway Operating Expenses	$36,333,818	$ 36,952,594	$— 618,776

INVESTMENT SECURITIES OWNED – PAR VALUE (Note 1) TABLE 5

December 31, 1961

Kind	Pledged	Unpledged	Total	Dividends and Interest Accrued
Stocks:				
Albany Passenger Terminal Company (Note 2)	$ 54,700	$	$ 54,700	$
Atlanta Terminal Company (Note 2)	50,000		50,000	2,000
Augusta & Summerville Railroad Co. (Note 2)	50,000		50,000	
Birmingham Terminal Company (Note 2)	25,000		25,000	20
Central of Georgia Motor Transport Company		266,000	266,000	
Chatham Terminal Company (Note 2)	25,000		25,000	
Empire Land Company		300,000	300,000	
Fruit Growers Express Company		256,700	256,700	
Louisville and Wadley Railroad Co.—Common		38,300	38,300	
Louisville and Wadley Railroad Co.—Preferred		29,000	29,000	
Macon Terminal Company (Note 2)	33,300		33,300	
Ocean Steamship Company of Savannah (Note 2)	1,999,200		1,999,200	
Pullman Company		31,890	31,890	957
Railway Express Agency, Incorporated (Note 3)		600	600	
The South Western Railroad Company (Note 4)	3,912,667	144,000	4,056,667	
The South Western Railroad Company (Note 2)	1,024,933		1,024,933	
Wadley Southern Railway Company		8,600	8,600	
Wrightsville & Tennille Railroad Co.—Common		278,325	278,325	
Wrightsville & Tennille Railroad Co.—Preferred		70,000	70,000	
Miscellaneous		360	360	
Trailer Train Company		500	500	
Total Stocks	7,174,800	1,424,275	8,599,075	2,977
Bonds and Receiver's Certificates:				
Albany Passenger Terminal Company Bonds		43,000	43,000	2,111
U. S. Treasury Bonds		1,500	1,500	38
Georgia Ports Authority Central Waterfront Terminal Revenue Bonds Series 1958		1,290,000	1,290,000	77,163
Georgia and Florida Railroad Company Bonds		2,936,500	2,936,500	
Georgia and Florida Railroad Company Rec. Certif.		13,000	13,000	417
Total Bonds and Receiver's Certificates		4,284,000	4,284,000	79,729
Notes:				
Augusta and Summerville Railroad Company		6,794	6,794	
Empire Land Company		2,316,283	2,316,283	
Railway Express Agency, Incorporated		173,493	173,493	8,675
Wrightsville and Tennille Railroad Company		224,000	224,000	
Total Notes		2,720,570	2,720,570	8,675
Advances:				
Affiliated Companies:				
Atlanta Terminal Company		160,793	160,793	4,000
Augusta and Summerville Railroad Company		4,559	4,559	
Birmingham Terminal Company		308,423	308,423	9,632
Central of Georgia Motor Transport Company		31,001	31,001	7,725
Central of Georgia Railway Company—Hospital Department		163,040	163,040	4,642
Chatham Terminal Company		3,222	3,222	
Empire Land Company		2,303,020	2,303,020	
Louisville and Wadley Railroad Company		5,000	5,000	
Savannah and Atlanta Railway Company		941,099	941,099	
Wadley Southern Railway Company		11,001	11,001	
Others—Planters Rural Telephone Cooperative Service, Dover, Ga.		40	40	
Total Advances		3,931,198	3,931,198	25,999
Grand Total	$ 7,174,800	$ 12,360,043	$ 19,534,843	$ 117,380

Notes:

(1) The book value of the investment securities listed above is summarized on the balance sheet (page 12) as follows:

Investments in affiliated companies:		
Stocks	$7,855,272	
Bonds	42,745	
Other secured obligations	2,376,283	
Unsecured notes	180,287	
Investment advances	3,931,158	$14,385,745
Other Investments:		
Stocks	$ 261	
Bonds and receiver certificates	1,841,930	
Advances	40	$ 1,842,231

(2) The First Mortgage has a first lien and the General Mortgage has a second lien on these stocks.

(3) $600 represents book value—stock has no par value.

(4) Ocean Steamship Company of Savannah has a first lien, the First Mortgage has a second lien, and the General Mortgage has a third lien on this stock.

See pages 20-25 for equities in subsidiary companies.

LONG TERM DEBT AND INTEREST

For the Year Ended December 31, 1961

TABLE 6

Name and Character of Obligation	Date of Issue	Date of Maturity	Amount of Authorized Issue	Outstanding At Close of Year	Amount Maturing During Year 1962	Interest Provisions		Amount of Interest Accrued During Year
						Rate	Dates Due	
Mortgage Bonds:								
First Mortgage Series "A"	Jan. 1, 1948	Jan. 1, 1995	$11,853,300	$10,876,400	$‡ 59,267	4%	Jan.—July	$ 435,280
General Mortgage (Income) Series "A"	Jan. 1, 1948	Jan. 1, 2020	1,736,000	195,400	‡ 70,930	4½%	May 1 when earned	9,257
General Mortgage (Income) Series "B"	Jan. 1, 1948	Jan. 1, 2020	12,542,400	12,539,800	....	4½%		564,291
Total Mortgage Bonds			26,131,700	23,611,600	130,197			1,008,828
Equipment Obligations:								
Equipment Trust Certificates:								
Central of Georgia Equipment Trust—Series "W"	May 1, 1952	May 1, 1967	2,325,000	930,000	155,000	3¼%	May—Nov.	31,904
Central of Georgia Equipment Trust—Series "X"	Nov. 1, 1952	Nov. 1, 1967	2,775,000	1,110,000	185,000	3⅜%	May—Nov.	42,253
Central of Georgia Equipment Trust—Series "Y"	Sept. 1, 1953	Sept. 1, 1968	5,460,000	2,548,000	364,000	3⅝%	Mar.—Sept.	101,160
Central of Georgia Equipment Trust—Series "Z"	Aug. 1, 1954	Aug. 1, 1969	2,655,000	1,416,000	177,000	2⅞%	Feb.—Aug.	43,678
Central of Georgia Equipment Trust—Series "A"	Mar. 1, 1955	Mar. 1, 1970	930,000	558,000	62,000	3⅛%	Mar.—Sept.	17,760
Central of Georgia Equipment Trust—Series "B"	Feb. 1, 1956	Feb. 1, 1971	4,680,000	2,964,000	312,000	3¼%	Feb.—Aug.	* 99,710
Central of Georgia Equipment Trust—Series "C"	Nov. 1, 1956	Nov. 1, 1971	840,000	560,000	56,000	4⅝%	May—Nov.	27,411
Central of Georgia Equipment Trust—Series "D"	June 1, 1957	June 1, 1972	2,550,000	1,785,000	170,000	5%	June—Dec.	94,917
Conditional Sales or Lease Agreements:								
Favor Morgan Guaranty Trust Company:								
Combined ten old agreements	April 1, 1951	April 1, 1966	3,151,000	555,242	180,000	3½%	Monthly	24,809
New Agreement for Equipment	April 1, 1951	April 1, 1966	4,852,561	907,111	291,152	3½%	Monthly	36,981
Conditional Sale Agreement No. 1	Aug. 1, 1957	Sept. 25, 1972	1,037,500	760,833	69,167	5½%	Mar.—Sept.	43,715
Conditional Sale Agreement No. 2	Aug. 1, 1957	Aug. 1, 1972	1,037,500	760,833	69,167	5½%	Feb.—Aug.	43,114
Conditional Sale Agreement No. 3	Aug. 1, 1957	Aug. 1, 1972	622,500	428,122	41,500	5½%	Feb.—Aug.	24,507
Conditional Sale Agreement No. 4	Aug. 1, 1957	Aug. 1, 1972	3,500,000	2,518,154	233,333	5½%	Feb.—Aug.	143,116
Conditional Sale Agreement No. 5	Aug. 1, 1957	Aug. 1, 1972	1,452,500	1,046,031	96,833	5½%	Feb.—Aug.	59,307
Conditional Sale Indebtedness Agreement	Mar. 1, 1960	Mar. 1, 1975	2,605,200	2,344,680	173,680	5¾%	Mar.—Sept.	138,980
Conditional Sale Agreement (Pullman Inc.)	May 1, 1961	July 1, 1976	1,000,000	1,000,000	66,667	5%	Jan.—July	25,139
Note								
Citizens and Southern National Bank	Sept. 11, 1961	Sept. 10, 1971	1,246,197	1,238,575	124,620	5½%	Mar.—Sept.	41,477
Total Equipment Obligations			42,719,958	23,430,581	2,827,119			1,039,938
Amounts Payable to Affiliated Companies:								
Open Account—Ocean Steamship	Oct. 27, 1953		$ 2,584,500	....	....			....
Company of Savannah	Nov. 17, 1953		350,000	$ 2,934,500	....			....
Total			2,934,500	2,934,500	....			....
†Grand Total			$71,786,158	$49,976,681	$ 2,957,316			$ 2,048,766

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* $68,051 charged to operations, $31,659 to Savannah and Atlanta Rwy. Co.

† None pledged as collateral; $2,000 general mortgage series "A" bonds held in Treasury.

‡ Sinking fund requirements.

ANALYSIS OF EQUIPMENT TRUST OBLIGATIONS AND EQUIPMENT PURCHASE AGREEMENTS For the Year Ended December 31, 1961

TABLE 7

	Equipment	Original Issue	Paid Prior to January 1, 1961	Paid During Year ended Dec. 31, 1961	Outstanding Dec. 31, 1961	Maturities
Equipment Trust "W" May 1, 1952 3¼%	6—1200 horsepower SW-9 Diesel Electric Switching locomotives with Multiple Unit Control Nos. 301-306 Inc. 15—Alco-GE 1600 horsepower Diesel Electric Switching locomotives Nos. 133-146, 147 with steam generator	$ 2,325,000	$ 1,240,000	$ 155,000	$ 930,000	May 1, 1962 to May 1, 1967
Equipment Trust "X" November 1, 1952 3⅜%	3—1600 horsepower Diesel Electric Road-Switcher locomotives equipped with steam generators Nos. 148-150 Inc. 9—1600 horsepower Diesel Electric Road-Switcher locomotives without steam generators Nos. 151-159 Inc. 12—1200 horsepower Diesel Electric Switching locomotives with M. U. control Nos. 307-318 Inc. 50—70 ton Covered hopper cars Nos. 1375-1424 Inc.	2,775,000	1,480,000	185,000	1,110,000	Nov. 1, 1962 to Nov. 1, 1967
Equipment Trust "Y" September 1, 1953 3⅝%	1013—50 ton PS-1 type box cars Nos. 7300-8299 and 6200-6212 50—70 ton Covered hopper cars Nos. 1425-1474 Inc. 5—125 ton depressed center flat cars 1—Model SD-7, six motor, 1500 horsepower Diesel Electric Freight locomotive—No. 201	5,460,000	2,548,000	364,000	2,548,000	Sept. 1, 1962 to Sept. 1, 1968
Equipment Trust "Z" August 1, 1954 2⅞%	500—50 ton 50'6" box cars with 9' side doors, Nos. 5500-5999 Inc.	2,655,000	1,062,000	177,000	1,416,000	Aug. 1, 1962 to Aug. 1, 1969
Equipment Trust "A" March 1, 1955 3⅛%	6—Model SD-9, 1750 horsepower, six motor, six axle, Diesel Electric Freight locomotives Nos. 202-207 Inc.	930,000	310,000	62,000	558,000	Mar. 1, 1962 to Mar. 1, 1970
Equipment Trust "B" February 1, 1956 3¼%	500—50 ton 50'6" PS-1 type box cars with 9-foot doors Nos. 1500-1999 Inc. 300—50 ton 40'6" PS-1 type box cars with 8-foot doors bearing Savannah & Atlanta Ry. Co. Road Nos. 200-499 Inc. 25—70 ton PS-2 Covered hopper cars Nos. 1475-1499 Inc. 20—70 ton depressed center flat cars with cast steel underframes, Nos. 11800-11819 Inc.	4,680,000	1,404,000	312,000	* 2,964,000	Semi-Annually Feb. 1, 1962 to Feb. 1, 1971
Equipment Trust "C" November 1, 1956 4⅝%	6—1750 horsepower Model GP-9 Diesel Electric Road Switching locomotives Nos. 160 to 165 Inc. 5—70 ton 65'6" drop end Gondola cars Nos. 16001-16005 Inc.	840,000	224,000	56,000	560,000	Semi-Annually May 1, 1962 to Nov. 1, 1971
Equipment Trust "D" June 1, 1957 5%	5—1750 horsepower Model GP-9 Diesel Electric Road Switching locomotives Nos. 166-170 Inc. 50—70 ton, 2893 cubic feet PS-2 Covered hopper cars Nos. 900-949 Inc. 200—70 ton, 2003 cubic feet PS-2 Covered hopper cars Nos. 1000-1199 Inc.	2,550,000	595,000	170,000	1,785,000	Semi-Annually June 1, 1962 to June 1, 1972
Equipment Purchase Agreement April 1, 1951. 2⅞% on all installment payments to April 1, 1956 and 3½% thereafter	2—Diesel Switching locomotives Nos. 33 and 34 and stainless steel Streamline Cars as follows: Coaches—Fort Oglethorpe and Fort McPherson Passenger-Baggage—Fort Mitchell Tavern Observation—Fort Benning 200—Pulpwood cars Nos. 10265 to 10464 Inc. 9—1500 horsepower Diesel Freight locomotives Nos. 901-909 Inc. 2—2000 horsepower Diesel Passenger locomotives Nos. 809-810 Inc. 3—1000 horsepower Diesel Switching locomotives Nos. 35, 36 and 37 7—1500 horsepower Diesel Electric Road Switching locomotives Nos. 101-107 Inc. 3—1600 horsepower Diesel Electric Road Switching locomotives Nos. 108-110 Inc. 2—2250 horsepower Diesel Passenger locomotives Nos. 811-812 Inc.	3,151,000	2,302,182	293,576	555,242	Monthly to April 1, 1966
Equipment Purchase Agreement April 1, 1951. 2⅞% on all installment payments to April 1, 1956 and 3½% thereafter	13—1500 horsepower Model GP-7 Diesel Electric Road Switching locomotives with steam generator Nos. 120-132, Inc. 9—1600 horsepower Alco Diesel Electric Road Switching locomotives Nos. 111-119 Inc. 25—70 ton All Steel Covered hopper cars Nos. 1350-1374 Inc. 200—50 ton All Steel Gondola cars, 195 Nos. 18501-18700 Inc.; 5 Nos. 19501-19505 Inc. 300—50 ton 40'6" All Steel box cars Nos. 7000-7299 Inc.	4,852,561	3,630,105	315,345	907,111	Monthly to April 1, 1966
Conditional Sale Agreement No. 1 August 1, 1957 5½%	125—70 ton Triple hopper cars Nos. 22001-22125 Inc.	1,037,500	207,500	69,167	760,833	Semi-Annually March 25, 1962 to Sept. 25, 1972
Conditional Sale Agreement No. 2 August 1, 1957 5½%	125—70 ton Triple hopper cars Nos. 22126-22250 Inc.	1,037,500	207,500	69,167	760,833	Semi-Annually Feb. 1, 1962 to Aug. 1, 1972
Conditional Sale Agreement No. 3 August 1, 1957 5½%	75—70 ton Triple hopper cars Nos. 22251-22325 Inc.	622,500	143,636	50,742	428,122	Semi-Annually Feb. 1, 1962 to Aug. 1, 1972
Conditional Sale Agreement No. 4 August 1, 1957 5½%	500—50 ton 40'6" PS-1 box cars Nos. 8300-8799 Inc.	3,500,000	732,975	248,871	2,518,154	Semi-Annually Feb. 1, 1962 to Aug. 1, 1972
Conditional Sale Agreement No. 5 August 1, 1957 5½%	175—70 ton Triple hopper cars Nos. 22326-22500 Inc.	1,452,500	309,636	96,833	1,046,031	Semi-Annually Feb. 1, 1962 to Aug. 1, 1972
Conditional Sale Indebtedness Agreement March 1, 1960 5¾%	8—1800 horsepower Model GP-18 Diesel Electric Road Switching locomotives Nos. 171-178 Inc. 60—90 ton PS-2 covered hopper cars with roller bearings and steel wheels Nos. 1200-1259 Inc. 40—70 ton PS-2 covered hopper cars with roller bearings and steel wheels Nos. 960-999 Inc.	2,605,200	86,840	173,680	2,344,680	Semi-Annually March 1, 1962 to March 1, 1975
Conditional Sale Agreement (Pullman Incorp.) May 1, 1961 5%	75—All steel triple hopper cars—3,818 cubic ft. capacity with roller bearings and steel wheels Nos. 25001-25075 Inc.	1,000,000	....	....	1,000,000	Semi-Annually Jan. 1, 1962 to July 1, 1976
Note The Citizens and Southern National Bank Sept. 11, 1961 5½%	327—50 ton 40'6" steel sheeted box cars, Nos. 310 to 636 Inc.	1,246,197	....	7,622	1,238,575	Semi-Annually March 10, 1962 to Sept. 10, 1971
	Total	$42,719,958	$ 16,483,374	$ 2,806,003	$ 23,430,581	

PAYMENTS MATURING IN YEARS ENDING:

December 31, 1962	$ 2,827,119	December 31, 1967	$ 2,355,966	December 31, 1972	$ 729,320
December 31, 1963	2,788,298	December 31, 1968	2,015,966	December 31, 1973	240,347
December 31, 1964	2,768,888	December 31, 1969	1,651,966	December 31, 1974	240,347
December 31, 1965	2,501,914	December 31, 1970	1,474,966	December 31, 1975	153,507
December 31, 1966	2,355,966	December 31, 1971	1,249,344	December 31, 1976	66,667
				TOTAL	$23,430,581

* The balance outstanding includes $941,098 due from Savannah and Atlanta Railway Company (payable $49,532 semi-annually), for 300 box cars purchased for them under Equipment Trust "B."

CONSOLIDATED INCOME ACCOUNT

TABLE 8

Consolidated Income Account and Consolidated Retained Income—Unappropriated, Dec. 31, 1961 - December 31, 1960 and Income Account and Retained Income—Unappropriated of Each Subsidiary Before Intercorporate Eliminations

Item No.	Item	Consolidated Totals After Intercorporate Eliminations		Central of Georgia Railway Company	Savannah & Atlanta Railway Company	Ocean Steamship Company of Savannah	Central of Georgia Motor Transport Company
		Year 1961	Year 1960				
	I. OPERATING INCOME						
	A. Railway Operating Income						
1	Operating revenues	$ 47,587,135	$ 47,106,818	$ 41,985,555	$ 4,587,151	$	$ 795,355
2	Operating expenses	40,524,955	41,101,294	36,333,818	3,322,212		684,147
3	Net revenue from operations	7,062,180	6,005,524	5,651,737	1,264,939		111,208
4	Tax accruals	3,979,275	3,872,998	3,196,725	643,505		115,921
5	Operating income	3,082,905	2,132,526	2,455,012	621,434		D 4,713
	B. Rent Income						
6	Hire of freight cars—Credit balance	557,822	41,731		643,307		
7	Rent from locomotives	148,863	160,004	159,162			
8	Rent from passenger train cars	466,364	485,883	466,364			
9	Rent from work equipment	10,191	8,770	10,171	20		
10	Joint facility rent income	185,427	184,113	184,827			
11	Total rent income	1,368,667	880,501	820,524	643,327		
	C. Rents Payable						
12	Hire of freight cars—Debit balance	1,453,240	128,018	698,412	811,727		
13	Rent for locomotives	125,511	165,165	122,203			
14	Rent for passenger train cars	398,359	405,862	398,359			
15	Rent for work equipment	23,144	6,592	2,097	21,047		
16	Joint facility rent deductions	387,683	386,954	363,119	23,424		
17	Total rents payable	2,387,937	1,092,591	1,584,190	856,198		
18	Net rents	Dr. 1,019,270	Dr. 212,090	Dr. 763,666	DR. 212,871		
19	Net Railway Operating Income	2,063,635	1,920,436	1,691,346	408,563		D 4,713
	II. OTHER INCOME						
20	Revenue from miscellaneous operations	158,928	168,383				
21	Income from lease of road and equipment	36,600	36,963	36,600			
22	Miscellaneous rent income	129,568	138,027	100,698	5,160		
23	Income from non-operating property	79,442	79,639	72,724	6,559		
24	Dividend income	2,977	5,671	2,977			
25	Interest income	333,327	470,496	236,270	10,595	118,596	2,948
26	Miscellaneous income	735,322	498,998	429,331	1,826	28,621	
27	Total other income	1,476,164	1,398,177	878,600	24,140	147,217	2,948
28	TOTAL INCOME	3,539,799	3,318,613	2,569,946	432,703	147,217	D 1,765
	III. MISCELLANEOUS DEDUCTIONS FROM INCOME						
29	Expenses of miscellaneous operations	150,085	154,741			12,013	
30	Miscellaneous rents	83	120	83			
31	Miscellaneous tax accruals	155,996	290,012	8,811	82	35,710	
32	Miscellaneous income charges	55,613	79,198	31,012	3,717		934
33	Total miscellaneous deductions	361,777	524,071	39,906	3,799	47,723	934
34	INCOME AVAILABLE FOR FIXED CHARGES	3,178,022	2,794,542	2,530,040	428,904	99,494	D 2,699
	IV. FIXED CHARGES						
35	Rent for leased road and equipment	6,086	6,872	9,371	20,000		
36	Interest on funded debt						
37	Mortgage bonds	427,266	429,103	435,280	11,722		
38	Equipment obligations, notes and advances	1,053,007	1,024,680	1,008,279	43,657		8,113
39	Interest on unfunded debt						
40	Amortization of discount on funded debt	17,226	17,837	17,226			
41	Total fixed charges	1,503,585	1,478,492	1,470,156	75,379		8,113
42	INCOME AFTER FIXED CHARGES	1,674,437	1,316,050	1,059,884	353,525	99,494	D 10,812
	V. OTHER DEDUCTIONS						
43	Interest on funded debt —Contingent interest	498,089	506,576	573,548			
44	NET INCOME TRANSFERRED TO RETAINED INCOME—UNAPPROPRIATED	1,176,348	809,474	486,336	353,525	99,494	D 10,812
	RETAINED INCOME—UNAPPROPRIATED						
	Credits						
45	Balance at beginning of year	26,767,531	27,184,350	16,785,841	4,979,823	4,828,472	Dr. 10,667
46	Balance transferred from income (Item 44)	1,176,348	809,474	486,336	353,525	99,494	Dr. 10,812
47	Other credits to retained income		6,633				
48	TOTAL CREDITS	27,943,879	28,000,457	17,272,177	5,333,348	4,927,966	Dr. 21,479
	Debits						
49	Dividends	3,315	1,192,526		35,435		
50	Loss on sale or retirement of property	66,876		18,030			
51	Loss on sale of investment securities						
52	Other debits to retained income						
53	Appropriations for Sinking Funds	89,775	40,400		89,775		
54	Appropriations released						
55	TOTAL DEBITS	159,966	1,232,926	18,030	125,210		
56	**Retained income—unappropriated at end of year**	$ 27,783,913	$ 26,767,531	$ 17,254,147	$ 5,208,138	$ 4,927,966	$ Dr. 21,479

CONSOLIDATED INCOME ACCOUNT TABLE 8

Consolidated Income Account and Consolidated Retained Income—Unappropriated, Dec. 31, 1961 - December 31, 1960 and Income Account and Retained Income—Unappropriated of Each Subsidiary Before Intercorporate Eliminations

Empire Land Company	Port Wentworth Corporation	Crossgate Homes Incorporated	Midland Properties Company	South Western Railroad Company	Wrightsville and Tennille Railroad Company	Louisville and Wadley Railroad Company	Wadley Southern Railway Company	Terminal Development Company	Item No.
$	$	$	$	$	$ 144,896	$ 18,699	$ 55,479	$	1
					113,512	18,068	51,573		2
					31,384	631	3,906		3
				3,240	11,422	1,973	6,489		4
				D 3,240	19,962	D 1,342	D 2,583		5
									6
									7
									8
									9
					600				10
					600				11
					19,938	1,499	7,149		12
					12,000	3,562	8,344		13
									14
									15
					900	90	150		16
					32,838	5,151	15,643		17
					Dr. 32,238	Dr. 5,151	Dr. 15,643		18
				D 3,240	D. 12,276	D 6,493	D 18,226		19
	137,431	13,854	7,643					8,674	20
	20,000			3,285					21
20,611					2,879	16	204		22
					159				23
7,685	27,750								24
21,981	3,476	1,129	29,747	11,202		303			25
201,215	34,521	37,638	622		16	9	1,523		26
251,492	223,178	52,621	38,012	14,487	3,054	328	1,727	8,674	27
251,492	223,178	52,621	38,012	11,247	D 9,222	D 6,165	D 16,499	8,674	28
3,714	92,710	23,434	12,608					5,606	29
									30
28,711	52,664	10,221	18,464		17		5	1,311	31
28,916	576	142	1,516		90				32
61,341	145,950	33,797	32,588		107		5	6,917	33
190,151	77,228	18,824	5,424	11,247	D 9,329	D 6,165	D 16,504	1,757	34
									35
									36
									37
		683			11,200		36,586		38
						52			39
									40
		683			11,200	52	36,586		41
190,151	77,228	18,141	5,424	11,247	D 20,529	D 6,217	D 53,090	1,757	42
									43
190,151	77,228	18,141	5,424	11,247	D 20,529	D 6,217	D 53,090	1,757	44
146,464	824,674	36,402	390,405	567,086	Dr. 487,598	Dr. 50,349	Dr. 2,417,347	6,178	45
190,151	77,228	18,141	5,424	11,247	Dr. 20,529	Dr. 6,217	Dr. 53,090	1,757	46
									47
336,615	901,902	54,543	395,829	578,333	Dr. 508,127	Dr. 56,566	Dr. 2,470,437	7,935	48
				3,315					49
						48,846			50
									51
									52
									53
									54
				3,315		48,846			55
$ 336,615	$ 901,902	$ 54,543	$ 395,829	$ 575,018	$ Dr. 508,127	$ Dr. 105,412	$ Dr. 2,470,437	$ 7,935	56

D—Denotes Deficit

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, Dec. 31, 1961 - December 31, 1960 and Balance Sheet of Each Subsidiary Before Intercorporate Eliminations

ASSETS

Item No.	Assets	Consolidated Totals After Intercorporate Eliminations		Central of Georgia Railway Company	*Savannah & Atlanta Railway Company	Ocean Steamship Company of Savannah	Central of Georgia Motor Transport Company
		Year 1961	Year 1960				
	Current Assets:						
1	Cash	$ 4,350,155	$ 3,210,819	$ 3,143,761	$ 790,830	$ 33,341	$ 11,954
2	Temporary cash investments	7,033,287	7,040,640	3,628,007	398,913	1,421,668	107,994
3	Special deposits	962,602	754,508	436,143	517,556		5,264
4	Loans and notes receivable	69,046	16,681	477			
5	Traffic and car-service balances—Dr.	2,132	2,117				
6	Net balances receivable from agents and conductors	842,030	723,740	678,734	158,202		
7	Miscellaneous accounts receivable	1,512,555	1,401,972	1,435,832	53,070	59	87,931
8	Interest and dividends receivable	41,067	15,308	32,784	1,333	100,659	
9	Accrued accounts receivable	835,847	786,341	831,848	1,940		
10	Working fund advances	37,004	42,618	35,865	785		
11	Prepayments	116,268	126,588	72,819	20,115		13,203
12	Material and supplies	3,045,570	3,267,643	2,716,819	304,870		8,395
13	Other current assets	63,831	57,757	63,305	506		
14	**Total Current Assets**	18,911,394	17,446,732	13,076,394	2,248,120	1,555,727	234,741
	Special Funds:						
15	Sinking funds	640	10	630	10		
16	Capital and other reserve funds	169,624	646,298	164,399	5,225		
17	Insurance and other funds	2,137			2,137		
18	**Total Special Funds**	172,401	646,308	165,029	7,372		
	Investments:						
19	Investments in affiliated companies	1,447,420	1,314,606	14,385,745	854,960	4,474,530	
20	Other investments	3,186,727	2,896,447	1,842,231		930,000	
21	**Total Investments**	4,634,147	4,211,053	16,227,976	854,960	5,404,530	
	Properties:						
22	Road and equipment property	176,522,440	175,720,883	150,494,661	11,145,731		704,686
23	Improvements on leased property	374,165	381,108	285,721	88,444		
24	Acquisition adjustment—Cr.	*13,000,303*	*13,577,975*	*11,347,213*	*1,653,090*		
25	Donations and grants—Cr.	*1,139,800*	*1,085,305*	*1,088,306*	*23,546*		
26	Total transportation property	162,756,502	161,438,711	138,344,863	9,557,539		704,686
27	Accrued depreciation—Road and equipment—Cr.	*40,319,454*	*37,615,236*	*36,519,779*	*2,584,094*		*488,555*
28	Accrued amortization of defense projects—Road and equipment—Cr.	*7,886,904*	*9,019,631*	*7,886,904*			
29	Total transportation property less recorded depreciation and amortization	114,550,144	114,803,844	93,938,180	6,973,445		216,131
30	Miscellaneous physical property	4,760,106	5,647,697	1,875,184	135,039		
31	Accrued depreciation—Miscellaneous physical property—Cr.	*509,349*	*501,204*	*210,592*	*44,093*		
32	**Total Properties Less Recorded Depreciation and Amortization**	118,800,901	119,950,337	95,602,772	7,064,391		216,131
	Other Assets and Deferred Charges:						
33	Other assets	254,785	253,844	254,585			
34	Unamortized discount on long-term debt	116,775	125,730	116,775			
35	Other deferred charges	968,383	717,387	582,267	55,272	857	728
36	**Total Other Assets and Deferred Charges**	1,339,943	1,096,961	953,627	55,272	857	728
37	**Grand Total Assets**	$ 143,858,786	$ 143,351,391	$ 126,025,798	$ 10,230,115	$ 6,961,114	$ 451,600

Italics Denote Credits

* Subsidiaries owned through Empire Land Company.

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, Dec. 31, 1961 - December 31, 1960 and Balance Sheet of Each Subsidiary Before Intercorporate Eliminations

ASSETS

Empire Land Company	*Port Wentworth Corporation	*Crossgate Homes Incorporated	*Midland Properties Company	South Western Railroad Company	Wrightsville and Tennille Railroad Company	Louisville and Wadley Railroad Company	Wadley Southern Railway Company	*Terminal Development Company	Item No.
$ 112,327	$ 35,093	$ 23,189	$ 89,832	$ 21,688	$ 71,320	$ 2,077	$ 5,254	$ 9,489	1
198,626	117,804	54,374	858,492	247,409					2
	3,639								3
66,069						2,500			4
							2,132		5
					4,713		381		6
3,689	6,349	330	24	4,756	3,307		361	1,299	7
13,733				814		303			8
					1,797		262		9
	300				41		13		10
98	6,976	1,337			861		859		11
	2,087				9,694		3,705		12
					14	6			13
394,542	172,248	79,230	948,348	274,667	91,747	4,886	12,967	10,788	14
									15
									16
									17
									18
3,316,780	893,164								19
271,440				124,156		18,900			20
3,588,220	893,164			124,156		18,900			21
				13,285,100	397,009		357,064	138,189	22
									23
									24
				10,786	*9,453*		*7,709*		25
				13,274,314	387,556		349,355	138,189	26
				636,919	*53,471*		*15,396*	*21,240*	27
									28
				12,637,395	334,085		333,959	116,949	29
1,909,336	434,449	96,794	302,441		5,986		877		30
12,920	*192,252*	*49,492*							31
1,896,416	242,197	47,302	302,441	12,637,395	340,071		334,836	116,949	32
					200				33
									34
327,957				221,989	1,112		172	18	35
327,957				221,989	1,312		172	18	36
$ 6,207,135	$ 1,307,609	$ 126,532	$ 1,250,789	$ 13,258,207	$ 433,130	$ 23,786	$ 347,975	$ 127,755	37

Italics Denote Credits

* Subsidiaries owned through Empire Land Company.

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, Dec. 31, 1961 - December 31, 1960 and Balance Sheet of Each Subsidiary Before Intercorporate Eliminations

LIABILITIES

Item No.	Liabilities and Shareholders' Equity	Consolidated Totals After Intercorporate Eliminations		Central of Georgia Railway Company	*Savannah & Atlanta Railway Company	Ocean Steamship Company of Savannah	Central of Georgia Motor Transport Company
		Year 1961	Year 1960				
	Current Liabilities:						
38	Traffic and car-service balances—Cr.	$ 1,801,884	$ 1,103,692	$ 1,079,014	$ 668,386	$	$
39	Audited accounts and wages payable	1,233,929	1,366,957	1,069,552	190,440	580	39,539
40	Miscellaneous accounts payable	625,629	629,398	589,506	17,378	134	7,744
41	Interest matured unpaid	271,048	248,614	280,804			
42	Dividends matured unpaid	3,689	3,497				
43	Unmatured interest accrued	793,941	804,281	875,673	15,140		
44	Accrued accounts payable	2,346,252	2,395,005	2,248,835	89,005		473
45	Federal income taxes accrued	392,229	200,478		321,760	30,977	
46	Other taxes accrued	273,214	269,864	233,077	29,850	1,457	4,616
47	Other current liabilities	607,669	625,058	523,545	84,056		
48	**Total Current Liabilities**	8,349,484	7,646,844	6,900,006	1,416,015	33,148	52,372
	Long-Term Debt Due Within One year—						
49	Equipment obligations and other debt	3,126,704	2,941,610	2,957,316	243,063		
	Long-Term Debt (Due After One Year):						
50	Funded debt unmatured	21,440,481	21,595,920	23,481,403	278,000		
51	Equipment obligations	20,699,082	21,579,175	20,603,462	95,620		
52	Amounts payable to affiliated companies			2,934,500	842,036		154,504
53	**Total Long-Term Debt (Due After One Year)**	42,139,563	43,175,095	47,019,365	1,215,656		154,504
	Other Liabilities and Deferred Credits:						
54	Other liabilities	249,292	131,956	215,073			203
55	Other deferred credits	593,487	1,197,865	477,041	140		
56	Accrued depreciation—Leased property	228,340	241,554	430,088	20,241		
57	**Total Other Liabilities and Deferred Credits**	1,071,119	1,571,375	1,122,202	20,381		203
	Shareholders' Equity:						
	Capital stock:						
58	Common	33,722,575	33,723,400	33,724,200	604,000	1,999,200	266,000
59	Preferred	17,039,400	17,039,400	17,039,400	708,700		
60	Total	50,761,975	50,762,800	50,763,600	1,312,700	1,999,200	266,000
61	Minority interest in subsidiaries' capital stock	376,700	376,700			800	
62	Total capital stock	51,138,675	51,139,500	50,763,600	1,312,700	2,000,000	266,000
	Capital Surplus:						
63	Paid-in	185,149	185,149	9,162	175,987		
64	Other	357,759	355,464				
65	Total	542,908	540,613	9,162	175,987		
66	Writeup of invested capital	7,486,032	7,486,032				
67	Excess of equities in subsidiary companies over investments therein	1,535,234	1,487,412				
68	Total	9,021,266	8,973,444				
	Retained Income:						
69	Appropriated	685,154	595,379		638,175		
70	Unappropriated	27,783,913	26,767,531	17,254,147	5,208,138	4,927,966	*21,479*
71	Total retained income	28,469,067	27,362,910	17,254,147	5,846,313	4,927,966	*21,479*
72	**Total Shareholders' Equity**	89,171,916	88,016,467	68,026,909	7,335,000	6,927,966	244,521
73	**Grand Total Liabilities and Shareholders' Equity**	$ 143,858,786	$ 143,351,391	$ 126,025,798	$ 10,230,115	$ 6,961,114	$ 451,600

Italics Denote Debits

* Subsidiaries owned through Empire Land Company.

CONSOLIDATED BALANCE SHEET

TABLE 9

Consolidated Balance Sheet, Dec. 31, 1961 - December 31, 1960 and Balance Sheet of Each Subsidiary Before Intercorporate Eliminations

LIABILITIES

Empire Land Company	*Port Wentworth Corporation	*Crossgate Homes Incorporated	*Midland Properties Company	South Western Railroad Company	Wrightsville and Tennille Railroad Company	Louisville and Wadley Railroad Company	Wadley Southern Railway Company	*Terminal Development Company	Item No.
$	$	$	$	$	$ 33,937	$ 19,944	$ 603	$	38
7,075				219	6,537		2,868		39
	8,389	1,027			1,570		98		40
					44,800	1,161			41
				1,522	37	3,000			42
									43
					3,932		4,007		44
	27,212	8,095		4,185					45
	2,667	265		131	1,098		53		46
					68				47
7,075	38,268	9,387		6,057	91,979	24,105	7,629		48
23,512		1,876							49
27,652		10,726							50
									51
5,369,521			662,772		224,000	5,000	1,401,893	109,820	52
5,397,173		10,726	662,772		224,000	5,000	1,401,893	109,820	53
30,356							3,660		54
112,404	1,975				1,927				55
									56
142,760	1,975				1,927		3,660		57
300,000	10,000	50,000	1,000	5,080,500	278,300	38,200	8,600	10,000	58
					70,000	29,000			59
300,000	10,000	50,000	1,000	5,080,500	348,300	67,200	8,600	10,000	60
				110,600	251,700	12,200	1,400		61
300,000	10,000	50,000	1,000	5,191,100	600,000	79,400	10,000	10,000	62
			191,188				1,390,000		63
	355,464					2,295			64
	355,464		191,188			2,295	1,390,000		65
				7,486,032					66
									67
				7,486,032					68
					23,351	18,398	5,230		69
336,615	901,902	54,543	395,829	575,018	*508,127*	*105,412*	*2,470,437*	7,935	70
336,615	901,902	54,543	395,829	575,018	*484,776*	*87,014*	*2,465,207*	7,935	71
636,615	1,267,366	104,543	588,017	13,252,150	115,224	*5,319*	*1,065,207*	17,935	72
$ 6,207,135	$ 1,307,609	$ 126,532	$ 1,250,789	$ 13,258,207	$ 433,130	$ 23,786	$ 347,975	$ 127,755	73

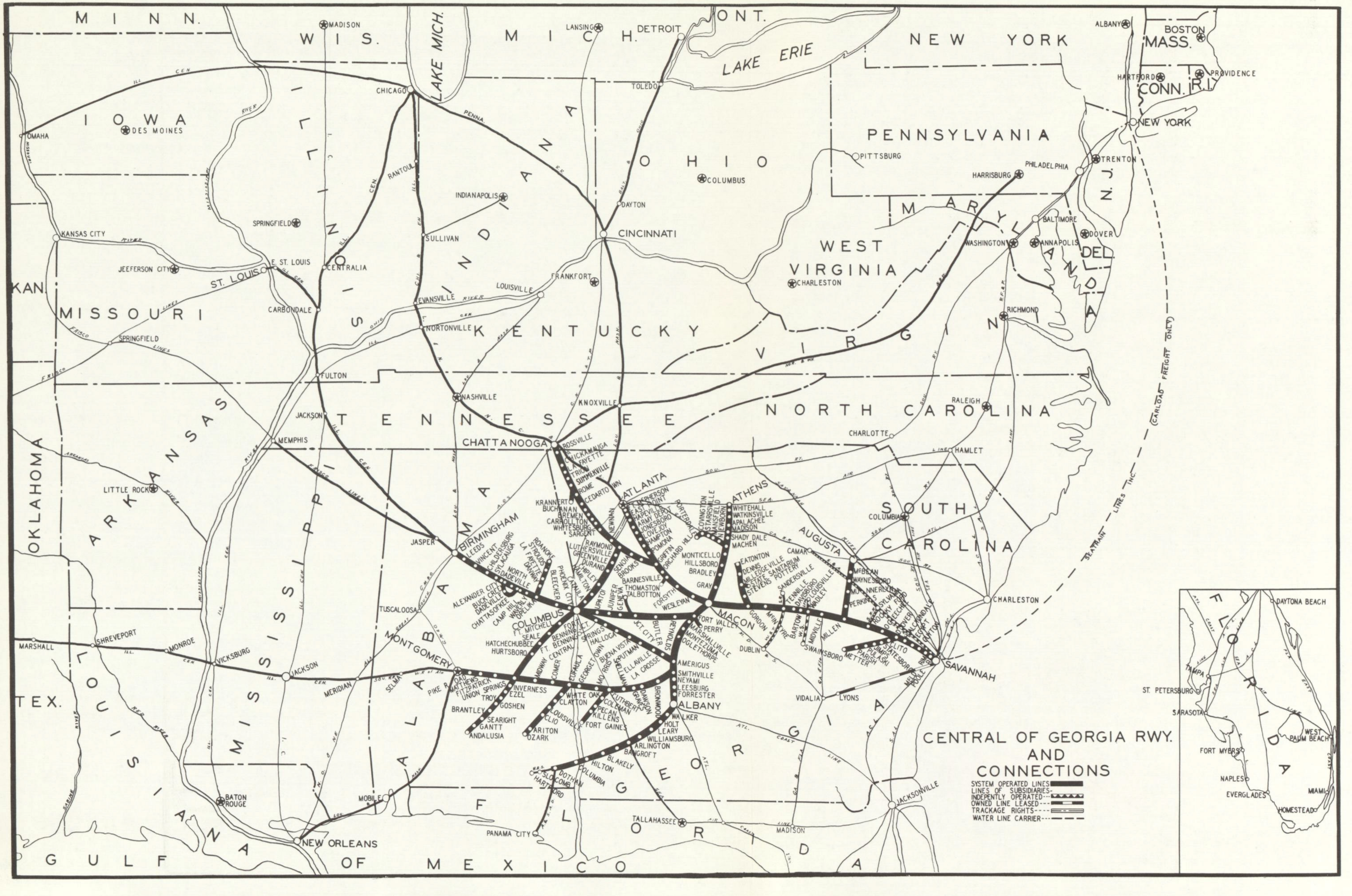
Italics Denote Debits
* Subsidiaries owned through Empire Land Company.

CLASSIFICATION OF REVENUE FREIGHT

TABLE 10

For the Years Ended December 31, 1961 and 1960

Commodity	1961		1960		+ Increase — Decrease	Per Cent
	Number of Tons (2,000 Lbs.)	Per Cent of Total	Number of Tons (2,000 Lbs.)	Per Cent of Total		
Products of Agriculture:						
Wheat, corn, oats and other grain	119,214	0.63	115,079	0.62	+ 4,135	3.59
Flour and meal	220,910	1.17	239,907	1.29	— 18,997	7.92
Other mill products	67,380	0.36	75,224	0.41	— 7,844	10.43
Hay, straw and alfalfa	1,436	0.01	2,480	0.01	— 1,044	42.10
Tobacco	3,193	0.02	3,625	0.02	— 432	11.92
Cotton	275,415	1.46	259,511	1.39	+ 15,904	6.13
Peaches	12,040	0.06	16,669	0.09	— 4,629	27.77
Oranges, lemons and pineapples	28,420	0.15	30,605	0.16	— 2,185	7.14
Watermelons	787	0.01	2,170	0.01	— 1,383	63.73
Other fruits	30,954	0.16	38,807	0.21	— 7,853	20.24
Vegetables, dried fruits and potatoes	132,577	0.70	135,682	0.73	— 3,105	2.29
Cotton seed	2,865	0.01	2,210	0.01	+ 655	29.64
Cotton seed meal and hulls	17,750	0.09	17,349	0.09	+ 401	2.31
Other products of agriculture	135,322	0.72	152,654	0.82	— 17,332	11.35
Peanuts	67,849	0.36	66,407	0.36	+ 1,442	2.17
Total	1,116,112	5.91	1,158,379	6.22	— 42,267	3.65
Animals and Products:						
Live stock	675	0.01	977	0.01	— 302	30.91
Fresh meats	38,903	0.20	37,019	0.20	+ 1,884	5.09
Other packing house products	34,861	0.18	56,016	0.30	— 21,155	37.77
Poultry, game and fish	3,434	0.02	2,164	0.01	+ 1,270	58.69
Wool	4,135	0.02	3,550	0.02	+ 585	16.48
Hides and leather	3,216	0.02	2,452	0.01	+ 764	31.16
Other products of animals	4,091	0.02	5,702	0.03	— 1,611	28.25
Total	89,315	0.47	107,880	0.58	— 18,565	17.21
Products of Mines:						
Bituminous coal	1,647,622	8.72	2,025,212	10.88	— 377,590	18.64
Coke	19,307	0.10	24,693	0.13	— 5,386	21.81
Ores	420,613	2.23	537,901	2.89	— 117,288	21.80
Clay, gravel, sand and stone	4,941,419	26.15	4,072,184	21.88	+ 869,235	21.35
Other products of mines	949,299	5.02	972,135	5.22	— 22,836	2.35
Total	7,978,260	42.22	7,632,125	41.00	+ 346,135	4.54
Products of Forests:						
Lumber	420,105	2.22	477,859	2.57	— 57,754	12.09
Rosin and turpentine	12,720	0.07	15,498	0.08	— 2,778	17.92
Other products of forests	295,442	1.57	211,183	1.14	+ 84,259	39.90
Pulpwood	2,254,344	11.93	2,334,395	12.54	— 80,051	3.43
Total	2,982,611	15.79	3,038,935	16.33	— 56,324	1.85
Manufactures and Miscellaneous:						
Refined petroleum and its products	439,453	2.33	409,256	2.20	+ 30,197	7.38
Cotton seed oil	62,635	0.33	72,253	0.39	— 9,618	13.31
Other oils	80,685	0.43	82,419	0.44	— 1,734	2.10
Sugar, syrup, glucose and molasses	117,935	0.62	124,072	0.67	— 6,137	4.95
Iron—pig and bloom	47,453	0.25	35,076	0.19	+ 12,377	35.29
Rails and fastenings	314	0.01	1,759	0.01	— 1,445	82.15
Other castings and machinery	105,866	0.56	93,044	0.50	+ 12,822	13.78
Bar and sheet metal	253,276	1.34	240,056	1.29	+ 13,220	5.51
Cement	608,832	3.22	641,912	3.45	— 33,080	5.15
Brick	202,230	1.07	206,955	1.11	— 4,725	2.28
Lime	18,777	0.10	19,693	0.10	— 916	4.65
Agricultural implements, vehicles other than automobiles	25,023	0.13	28,051	0.15	— 3,028	10.79
Automobiles and auto trucks	119,442	0.63	154,332	0.83	— 34,890	22.61
Household goods and furniture	31,204	0.16	31,310	0.17	— 106	0.34
Cotton factory products	39,443	0.21	34,634	0.19	+ 4,809	13.89
Fertilizer	984,364	5.21	1,035,408	5.56	— 51,044	4.93
Fertilizer materials	136,810	0.72	124,783	0.67	+ 12,027	9.64
Other manufactures	3,425,700	18.13	3,303,612	17.75	+ 122,088	3.70
Total	6,699,442	35.45	6,638,625	35.67	+ 60,817	0.92
Grand Total, Carload Traffic	18,865,740	99.84	18,575,944	99.80	+ 289,796	1.56
All Less Carload Freight	30,760	0.16	37,960	0.20	— 7,200	18.97
Grand Total, Carload and Less Carload Traffic	18,896,500	100.00	18,613,904	100.00	+ 282,596	1.52



CENTRAL OF GEORGIA RWY. AND CONNECTIONS

SYSTEM OPERATED LINES
LINES OF SUBSIDIARIES
INDEPENTLY OPERATED
OWNED LINE LEASED
TRACKAGE RIGHTS
WATER LINE CARRIER
MINN.
WIS.
MICH.
ONT.
NEW YORK
MASS.
CONN.
R.I.
LAKE MICH.
LAKE ERIE
IOWA
ILLINOIS
INDIANA
OHIO
PENNSYLVANIA
N.J.
MARYLAND
DEL.
WEST VIRGINIA
VIRGINIA
KAN.
MISSOURI
KENTUCKY
TENNESSEE
NORTH CAROLINA
SOUTH CAROLINA
OKLAHOMA
ARKANSAS
MISSISSIPPI
ALABAMA
GEORGIA
TEX.
LOUISIANA
FLORIDA
GULF OF MEXICO
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JEEFERSON CITY
E. ST. LOUIS
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FRANKFORT
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CARBONDALE
NORTONVILLE
RICHMOND
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FULTON
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RALEIGH
JACKSON
MEMPHIS
CHATTANOOGA
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LA FAYETTE
TRION
SUMMERVILLE
ROME
CEDARTOWN
ATLANTA
ATHENS
CHARLOTTE
HAMLET
LITTLE ROCK
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AUGUSTA
CAMAK
JASPER
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MACON
COLUMBUS
TUSCALOOSA
MONTGOMERY
DUBLIN
SAVANNAH
MARSHALL
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VICKSBURG
JACKSON
MERIDIAN
SELMA
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LYONS
ALBANY
AMERICUS
FORT VALLEY
ANDALUSIA
OZARK
DOTHAN
PANAMA CITY
TALLAHASSEE
MADISON
JACKSONVILLE
MOBILE
BATON ROUGE
NEW ORLEANS
SEATRAIN LINES INC. (CARLOAD FREIGHT ONLY)
DAYTONA BEACH
TAMPA
ST. PETERSBURG
SARASOTA
FORT MYERS
NAPLES
EVERGLADES
WEST PALM BEACH
MIAMI
HOMESTEAD

CENTRAL
OF
GEORGIA